The Hon'ble Sri Justice C.V.Nagarjuna Reddy

and

The Hon'ble Sri Justice T.Amarnath Goud

Writ Petition No.20725 of 2015

Dt: 20-11-2017

Between:

V.Palani

….Petitioner

and

The State of Andhra Pradesh
Rep. by its Prl.Secretary
Revenue (CT-II) Dept.,
Secretariat, Hyderabad and another

….Respondents

Counsel for the Petitioner: **Mr.VV.Anil Kumar**

Counsel for the respondents: **Mr.S.Suri Babu**
Spl.SC for Commercial Taxes (AP)

The Court made the following:

Order: **(per Hon'ble Sri Justice C.V.Nagarjuna Reddy)**

This Writ Petition is filed for a Mandamus to declare the proceedings, dated 18-06-2015, made for the assessment year 2011-2012, as illegal and contrary to the provisions of the Andhra Pradesh Value Added Tax Act, 2005.

We have heard Mr.V.V.Anil Kumar, learned Counsel for the petitioner, and Mr.S.Suri Babu, learned Special Standing Counsel for Commercial Taxes (AP) appearing for the respondents.

The petitioner is the owner of five buses hired to the Andhra Pradesh State Road Transport Corporation, Palamaneru Depot (APSRTC). Respondent No.2 has initiated proceedings for assessing tax on the hire charges of Rs.91,83,234/- received by the petitioner from the APSRTC for the year 2011-2012. He has, accordingly, issued notice, dated 07-01-2015, to which the petitioner submitted detailed objections on 28-11-2014. Thereafter, respondent No.2 has issued the impugned proceedings assessing a sum of Rs.13,31,569/- as tax payable by the petitioner. Questioning this order, the petitioner filed this Writ Petition.

The main submission advanced by the learned Counsel for the petitioner is that though detailed objections were filed by his client, respondent No.2 has not considered the same and that he has also failed to give any reasons whatsoever for rejecting the same by a cryptic observation that they are not tenable.

Mr.S.Suri Babu, learned Special Standing Counsel for Commercial Taxes (AP), has tried to support the impugned order.

A perusal of the impugned order shows that respondent No.2 has not considered the objections of the petitioner while rejecting the same and that he has not assigned any reasons whatsoever in support of that conclusion.

The law is well settled that absence of reasons vitiates the order especially when the same results in adverse civil consequences to a party. The impugned order imposes tax liability on the petitioner. Therefore, adverse consequences flow out of the said order and failure of respondent No.2 to assign reasons therefor amounts to serious violation of the principles of natural justice. The impugned order is vitiated for these reasons and hence, the same is set aside. The petitioner is permitted to file additional objections, if any, within four weeks from the date of receipt of this order. On considering all the objections already filed/that may be filed by the petitioner, respondent No.2 shall pass a fresh assessment order by assigning reasons.

Subject to the above direction, the Writ Petition is allowed.

As a sequel, interim order, dated 14-07-2015, is vacated and WPMP.No.26704 of 2015 is disposed of.

(C.V.Nagarjuna Reddy, J)

(T.Amarnath Goud, J)

Date: 20-11-2017
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